

Affordable Housing Funding Notice



Oregon Housing and Community Services

NOTICE OF FUNDING AVAILABILITY (NOFA) #2023-2

Local Innovation and Fast Track (LIFT) Rental Program

NOFA Issued: January 18, 2023

Pre-Applications Due: February 1, 2023 by 11:59 PM PST

Proposals Due: March 30, 2023 by 4:00 PM PST

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1. INTRODUCTION

1.1. Purpose

The Oregon Housing and Community Services Department (“OHCS”) is seeking applications (“Applications”) in this Notice of Funding Availability (“NOFA”) for the new construction of affordable, multifamily rental housing developments (“Projects”) that will serve statewide qualified low-income households earning at or below 60% area median income (AMI). The source of funds for this NOFA is Article XI-Q bond proceeds for the Local Innovation and Fast Track (LIFT) program, Oregon Affordable Housing Tax Credits (OAHTC), federal 4% Low Income Housing Tax Credits (LIHTC) and Private Activity Bonds (PAB). One of the statutory goals for LIFT is to provide housing to underserved communities, which are defined as rural communities and Communities of Color. OHCS intends to prioritize allocations of LIFT resources to maximize the impact of these specific goals.

2. NOFA Funding Sources, Allocations and Funding Limit Categories

2.1. Funding Sources

2.1.1. LIFT

The LIFT program is funded through Article XI-Q Bonds. In the 2021 Oregon State Legislative session, \$300 million in funding was provided to OHCS in the form of Article XI-Q bond authority for the LIFT program for the 2021-2023 biennium. Of the \$300 million of funds, 80% are for the development of rental Projects (“LIFT Rental”), and the remaining 20% are for the development of affordable homeownership Projects (“LIFT Homeownership”).

This NOFA represents the second LIFT Rental offering of the 2021-2023 biennium. Funding available through this LIFT Rental NOFA totals \$106,915,880 based on current unreserved LIFT resources and will be reserved to eligible Projects that meet specified Application parameters. If additional LIFT resources become available, OHCS reserves the right to add those to the resources that are awarded from this NOFA.

All LIFT Rental Program requirements governing funding and relevant to a particular Application must be satisfied by the Applicant in order to qualify for funding under this NOFA.

Of the currently available LIFT Rental funds, \$48,560,000 will be eligible to use with 4% LIHTC/PAB. The remaining \$58,355,880 will be eligible to use for funding Projects not leveraging the 4% LIHTC/PAB.

2.1.2. OAHTC

In addition to the LIFT funds, OHCS is making Oregon Affordable Housing Tax Credits (OAHTC) available where they result in deep rent skewing; serving households at or below 50% AMI. Applicants can request OAHTC to cover up to \$5 million of their permanent loan.

2.1.3. LIHTC/Private Activity Bonds

Applicants may choose to utilize 4% Low Income Housing Tax Credits (LIHTC) and tax-exempt conduit bonds as a funding source. If an Applicant decides to do so, it is

acknowledging the limited availability of Private Activity Bonds. The Project must be submitted to OHCS as a 4% application, with additional instructions around how to apply for Private Activity Bonds coming later during the NOFA cycle. The information will be provided via Technical Advisory and updated to the Workcenter.

Information on the LIHTC program can be found here: <http://www.oregon.gov/ohcs/Pages/multifamily-housing-four-percent-Application.aspx>.

Private activity bonds not issued by OHCS are not allowed to be paired with this NOFA. Applicants must apply for LIFT funding via this NOFA if they are requesting 4% LIHTC. 4% LIHTC only requests will not be accepted

Because of limited availability of state PAB, this NOFA limits the amount of LIFT funds that can be paired with 4% LIHTC/PAB to \$48.56 million of the available LIFT resources.

2.2. Location Set-Asides

OHCS has established three location specific soft set-asides in this NOFA to better serve all parts of the State. The set-asides are as follows:

		To Pair with LIHTC/PAB	Non-LIHTC/PAB Projects (LIFT Only)
<i>Rural</i>	50% of Available LIFT Funds	\$ 30,350,000	\$34,205,000
<i>Urban Areas Outside of Clackamas, Multnomah, & Washington Counties</i>	30% of Available LIFT Funds	\$18,210,000	\$19,150,880
<i>Clackamas, Multnomah, & Washington Counties</i>		*Not offered in 2023 LIFT NOFA	\$ 5,000,000

*Projects located in Clackamas, Multnomah, or Washington Counties are not eligible to apply for LIFT paired with LIHTC/PAB in the 2023 LIFT NOFA.

Due to the current constraint of PAB, only Projects that can be fully funded under the LIFT with LIHTC/PAB funding path will be recommended. If the next eligible Project requires more funds than remain in the LIFT with LIHTC/PAB funding path, those funds will be grouped together with excess LIFT Only funds to the highest scoring LIFT Only Project able to be funded.

If there are not enough Projects able to be funded that have passed preliminary and threshold minimum requirements to use all resources for one of the set-aside categories, those funds will be made available to fund Projects in the other LIFT Only set-aside categories. If the next Project cannot be fully funded with available LIFT, OHCS may choose to leverage other available OHCS gap funding resources to fully fund a Project.

If funds from this NOFA are undersubscribed, OHCS reserves the right to award the remaining funds to Projects submitted through the LIFT Homeownership NOFA, if the LIFT Homeownership NOFA is oversubscribed. If the LIFT Homeownership NOFA is undersubscribed, OHCS reserves the right to award any unallocated funds to Projects submitted through the 2023 LIFT Rental NOFA, if the 2023 LIFT Rental NOFA is oversubscribed.

2.3. Funding Limits

If utilizing 4% LIHTC/PAB, applicants may request up to the following per unit maximums based on location and bedroom size:

	Studio	1 Bedroom	2 Bedroom	3 Bedroom
Urban	\$75,000	\$125,000	\$165,000	\$205,000
Rural	\$90,000	\$150,000	\$200,000	\$250,000

LIFT only applicants may request up to the following per unit maximums based on location and bedroom size:

	Studio	1 Bedroom	2 Bedroom	3 Bedroom
Urban/Portland Metro Counties	\$90,000	\$150,000	\$210,000	\$270,000
Rural	\$110,000	\$170,000	\$230,000	\$290,000

3. Definitions

The terms defined in this NOFA (including those provided in this subsection), as well as terms defined in other existing Program documents, will have the following meanings unless the context clearly indicates otherwise:

Affirmatively Furthering Fair Housing (AFFH): A provision of the 1968 federal Fair Housing Act¹ that legally requires that all federal departments and agencies, as well as grantees of federal funding, must administer their programs and activities relating to housing and urban development in a manner that affirmatively furthers the purposes of the Fair Housing Act. Since

¹ For further information, see Title VIII of the Civil Rights Act of 1968, 42 U.S.C. 3608, and Executive Order 12892.

the Fair Housing Act has two primary purposes – to prevent discrimination in the sale, rental, and financing of housing based on race, color, national origin, religion, sex, familial status, and disability and to reverse housing segregation – affirmatively furthering fair housing is fulfilling the dual purpose of the law. Specifically, as enforced by the U.S. Department of Housing and Urban Development (HUD), affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity based on protected characteristics, by replacing segregated living patterns with truly integrated and balanced living patterns by transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and by fostering and maintaining compliance with civil rights and fair housing laws.

Agreement Documents: means the funding documents, the final form of which are satisfactory to OHCS, in consultation with the Oregon Department of Justice and executed in connection with the Project.

Allocation: includes any funding allocated under this NOFA.

Applicants: means persons or entities that are submitting an Application responsive to this NOFA.

Communities of Color: identity-based communities that hold a primary racial identity that describes shared racial characteristics among community members. The term aims to define a characteristic of the community that its members share (such as being African American) that supports self-definition by community members, and that typically denotes a shared history and current/historic experiences of racism. An older term for Communities of Color is that of "minority communities" which is increasingly inaccurate given that people of color are majority identities on a global level. That term has also been rejected for its potential to infer any inferior characteristics. The community may or may not also be a geographic community. Given that race is a socially defined construct, the definitions of these communities are dynamic and evolve across time. The Coalition of Communities of Color defines Communities of Color to include Native Americans, Latinos, Asian and Pacific Islanders (further disaggregated according to local preferences), African Americans, African Immigrants and Refugees, Middle Eastern, and Slavic communities.²

Culturally Responsive Organization (CRO): an entity that comprehensively addresses power relationships throughout the organization, from the types of services it provides and how it maximizes language accessibility to its human resources practices-who it hires, how they are skilled, prepared and held accountable, to its cultural norms, its governance structures and policies, and its track record in addressing conflicts and dynamics of inclusion and exclusion, to its relationships with racial groups in the region, including its responsiveness to expectations. Furthermore, a Culturally Responsive Organization is one that is dynamic, on a committed path to improvement and one that is hardwired to be responsive to the interests of Communities of Color. Culturally responsive organizations hire and train culturally and linguistically diverse staff to meet the needs of the diverse communities they serve.

Culturally Responsive Services (CRS): Services that have been adapted to maximize the respect of and relevance to the beliefs, practices, culture and linguistic needs of the diverse

² Adapted from Curry-Stevens, Ann, Marie-Elena Reyes & Coalition of Communities of Color (2014). Protocol for Culturally Responsive Organizations

client populations and communities being served, including clients and communities of color. Cultural responsiveness describes the capacity to respond to the issues of diverse communities. Culturally responsive services assure competent language access and incorporate diverse cultural approaches, strengths, perspectives, experiences, frames of reference, values, norms and performance styles of clients and communities to make services and programs more welcoming, accessible, appropriate, and effective for all eligible and intended recipients. Culturally responsive services require knowledge and capacity at different levels of intervention: systemic, organizational, professional, and individual.*

Culturally Specific Organization (CSO): an entity that provides services to a cultural community and the entity has the following characteristics:

- Majority of members and/or clients must be from a particular Community of Color;
- Organizational environment is culturally focused and the community being served recognizes it as a culturally-specific entity that provides culturally and linguistically responsive services;
- Majority of staff must be from the community being served, and the majority of the leadership (defined to collectively include board members and management positions) must be from the community being served;
- The entity has a track record of successful community engagement and involvement with the community being served; and
- The community being served recognizes the entity as advancing the best interests of the community and engaging in policy advocacy on behalf of the community being served.*

Electronic Signature: means symbols or other data in digital form attached to an electronically transmitted application as verification of the sender's intent to sign the application. With such signature, Applicant attests that it will meet and comply with all the requirements and conditions of the NOFA.

Metropolitan Statistical Areas (MSA): geographic regions delineated by the United States Office of Management and Budget. MSA is the formal definition of a region that consists of a city and surrounding community that are linked by social and economic factors.

- Oregon counties located in MSAs are Benton, Clackamas, Columbia, Deschutes, Jackson, Josephine, Linn, Lane, Marion, Multnomah, Polk, Washington, and Yamhill Counties

Portland Metro Counties: Clackamas, Multnomah, and Washington Counties. This NOFA treats these three counties as a separate set-aside region.

Procore™ WorkCenter: a secure portal technology solution by ProLink Solutions™ and used by OHCS to help facilitate collaboration and communication models for all Applicants and future housing partners. The Procore™ WorkCenter includes a repository for electronic document submission, a task management and tracking tool, an events calendar, and communication features.

Qualified Culturally Specific Organization (QCSO): means a non-profit organization that serves a particular community, that is primarily staffed and led by members of that community

* Adapted from Curry-Stevens, Ann, Marie-Elena Reyes & Coalition of Communities of Color (2014). Protocol for Culturally Responsive Organizations

and that demonstrates self-advocacy, positive cultural identity and intimate knowledge of the lived experience of the community, including but not limited to:

- a. The impact of structural and individual racism or discrimination on the community
- b. Specific disparities in access to services and resources (shown through demographics that illustrate the “least likely to apply” for housing opportunities) experienced by the community
- c. Community strengths, cultural practices, beliefs, and traditions

Rural Communities: An eligible category for receiving LIFT funds through this NOFA which focuses funding on Projects that will serve to overcome historic disparities. Rural areas are defined as:

- Oregon jurisdictions with populations of 15,000 or less within counties that are considered Metropolitan Statistical Areas (MSA) and outside of **the Portland Metro Counties of Clackamas, Multnomah, and Washington**; or
- Oregon jurisdictions with populations of 40,000 or less in the balance of the state.

NOTE: if a city was eligible to be considered rural by population within the same dataset and currently has a population that is within 5% (five percent) of the established rural definition for this NOFA, they can be considered rural for the purposes of this application.

Service to Communities of Color: Service to Communities of Color can be achieved in a number of ways and should be relevant to the community in which the Project is located, and the target population anticipated to be served. Any approach that is chosen must include intentional engagement with Communities of Color for services planning for the development. In general, OHCS would expect that addressing this intentional engagement should be accomplished in one or more of the following ways:

- Development, sponsorship or management by a Culturally Specific Organization or a Culturally Responsive Organization with a diverse and representative leadership
- An ongoing service partnership with a Culturally Specific Organization or a Culturally Responsive Organization
- Plan for the provision of Culturally Responsive Services for tenants
- Relevant marketing and outreach plan designed to publicize to Communities of Color the availability of the new housing opportunities created by the Project consistent with the Affirmative Fair Housing Marketing (AFHM) Plan
- Project explicitly designed and located to address displacement of Communities of Color
- Other services that uplift Communities of Color as approved by OHCS staff.

Scoring Committee: includes representatives from Communities of Color, Rural Communities, Urban Communities, OHCS and DHS, and persons with other relevant policy and development expertise that will be assembled to review all Applications that have met the minimum requirements.

Studio (aka Efficiency): the smallest size unit available to be built using LIFT funds in this NOFA. A studio apartment has a private bathroom, which includes sanitary facilities (i.e., toilet, sink, and bathing space), as well as a kitchen area.

Tribe or Tribal: A federally recognized Native American Tribe or Indian Tribe in Oregon, as defined in ORS 182.162.

Tribal-led Project: A Project that is sponsored by a Tribe, a Tribally Designated Housing Entity, or an organization owned by a Tribe.

Urban Communities (For this NOFA Only): Jurisdictions with populations of 15,000 and greater in MSAs, and Communities with populations of 40,000 and greater in the balance of the state, excluding all jurisdictions in Portland Metro Counties of Clackamas, Multnomah, and Washington.

4. Reservation Process

4.1. Application Ranking Process

OHCS reserves funds on a competitive basis to Projects of qualifying Applicants that:

1. Pass the Preliminary Review;
2. Meet the Threshold Requirements; and
3. Have the highest-ranking score from the Scoring Committee in accordance with available funding, subject to prioritization of qualifying Projects.

During the scoring and reservation process, limits on the remaining available funding may result in lower-ranked Applications receiving a funding Reservation if higher-ranked Applications would require funding that exceeds the amount that remains available for awards, or, OHCS may choose to leverage other OHCS gap funding resources, including future LIFT funds, to fully fund the higher ranked Application(s).

4.2. Tie Breaking Rule

In the event of a tie, and assuming sufficient funding for either of the tied Applications, OHCS will apply the following tie breaking rules in making funding awards

If the total evaluation scores of two (2) or more Applications result in a tie and funding availability is insufficient to fund all tied Applications, the following scores, in order of priority, will break the tie:

1. The Project with the request for lowest per unit LIFT Rental subsidy; and
2. The Project that will build the greatest number of affordable units that can be funded under this NOFA.

4.3. LIFT Rental Program Requirements

In addition to any other requirements in this NOFA, the following Project Requirements apply to all Projects funded through this NOFA ("Project Requirements"):

4.3.1. Eligible Activity

LIFT Rental funds are for the creation of permanent affordable housing rental units via new construction or the conversion of existing non-housing structures into new affordable housing units. Applicants may only apply for one phase of a multiphase Project through this NOFA.

Please note:

- *Existing housing developments that are under construction (including site work) at the time of Application are not eligible for funding through this NOFA. Projects that begin construction after LIFT fund reservation and before LIFT loan closing may*

have their LIFT fund reservation revoked.

- *Projects to rehabilitate existing residential structures or housing units are not eligible for funding through this NOFA.*
- *Capital increase requests will not be considered if it is determined that BOLI wages were required and not budgeted for in the construction estimation process.*

4.3.2. Service to Communities of Color

All Projects funded with LIFT must include service to Communities of Color. Service to Communities of Color can be achieved in a number of ways and should be relevant to the community in which the Project is located and the focus population anticipated to be served. Any approach that is chosen must include intentional engagement with Communities of Color for services planning for the development.³

4.3.3. Commitment to Diversity, Equity, and Inclusion (DEI)

Each Applicant must submit a signed DEI form, which commits the organization toward implementing diversity, equity, and inclusion efforts within their organization and throughout the work they conduct including their work with external partners.

4.3.4. Affordability Period

OHCS has the discretion to meet the needs of the LIFT program, but generally, the affordability period will be established as the length of time the Article XI-Q bond is outstanding based on the original maturity date identified at time of bond sale, with a minimum of 20 years from the end of the year that the Project is placed in service or the length of the bonds outstanding, whichever is greater. If used with 4% LIHTC/PAB, the applicable 4% LIHTC affordability period of 30 years from the end of the year that the Project is first placed in service or the length of the bonds outstanding, whichever is greater, will apply. If the Project has multiple financing sources, it will be required to follow the most restrictive requirements.

4.3.5. Rents and Incomes

All units funded with LIFT Rental must be affordable to households earning at or below 60% HUD Area Median Income (AMI) at the time of initial lease, with an exception for one manager unit per Project site (however, if the manager unit is not occupied by a manager, it will be income-restricted to households earning at or below 60% area median income (AMI). Maximum rents allowable on any LIFT Rental unit will be based on and may not exceed the 60% HUD AMI standard but may be further restricted to accomplish LIFT Rental program or other funding purposes.

For all Projects, tenants must be able to stay in the Project regardless of future income. To ensure affordability and comparability of unit compliance (i.e., the number, size, and character of affordable units are provided to serve the necessary population of lower-income households), a next available unit rule will need to be established in conjunction

³ See 'Service to Communities of Color' Definition on page 9.

with OHCS compliance staff.

Income Averaging

LIFT is statutorily required to be used for housing serving people earning at or below 60% AMI. LIFT Projects utilizing 4% LIHTC/PAB are not allowed to utilize the Average Income Test (AIT) as a minimum compliance election under IRC Section 42.

4.3.6. Construction Standards

LIFT Rental requirements are intended to encourage innovation and allow for all types of new construction. All Projects must meet local and state code requirements. The following construction standards must be met:

- *Methods:* Both traditional and alternative methods of new construction are allowable; construction that is innovative in containing costs or otherwise serving lower-income populations is encouraged,
- *Quality:* Construction that balances the initial cost of building with on-going costs of operation for both the building owner and the tenants (e.g., energy standards); ensuring that additional costs are not passed on to tenants,
- *Durability:* A minimum of 30-year building standards is expected for all Projects,

If other public capital or operating subsidies are used in financing the Project, relevant requirements of those subsidy sources will apply. Furthermore, if a Project applies for 4% LIHTCs, it is required to follow the OHCS Core-Development Manuals (CDM) requirements for that program: <https://www.oregon.gov/ohcs/development/Pages/core-development-manual.aspx>

4.3.7. Development Period

Units must be ready for initial lease-up within 36 months of the fund reservation. This NOFA anticipates funding reservations in summer 2023 and units must be ready for initial lease-up by summer 2026.

4.3.8. Operational Agreement with OHCS

The LIFT program is funded using proceeds from the sale of Article XI-Q bonds which require the State of Oregon to hold an appropriate operational interest in each Project funded. This is satisfied, in part, by execution of an Operating Agreement, Declaration of Restrictive Covenants, and a Project Management Agreement.

4.3.9. Ownership Integrity

- The Project must be owned by a single-asset entity duly organized under the laws of the State of Oregon duly authorized to conduct business in the State of Oregon.
- Neither Applicant nor any member or principal within the Project ownership or management will have been convicted of fraud, misrepresentation, theft, or other moral turpitude within the previous ten (10) years.
- Neither Applicant nor any member or principal within the Project ownership or management will have been involved in a bankruptcy proceeding within the previous five (5) years.

- Neither Applicant nor any member or principal within the Project ownership or management will have been debarred or otherwise sanctioned by OHCS.

4.3.10. Underwriting Guidelines

Underwriting guidelines will be applied by OHCS in its due diligence and Project review process to ensure ongoing Project viability and risk mitigation associated with the LIFT Program. Such guidelines will be consistent with the industry standard minimum requirements of mortgage lenders, investors, and other potential public funding sources. This includes, but is not limited to:

- Minimum debt service coverage ratio of 1.15 on all “must-pay” primary debt;
- 5-7% vacancy rate (explain if below 7%);
- 2% escalation of rents and 3% escalation of expenses;
- Capitalized operating reserve equal to six (6) months operating expenses and debt service;
- Minimum annual replacement reserve deposit of \$450 per unit;
- Deferred Developer Fee demonstrates the ability for repayment by year 15, regardless of intent of applying for LIHTC/PAB;
- Operating expenses are between \$4,500- \$6,500 per unit per annum (PUPA), excluding property taxes and resident services expenses
- Prior to closing, a Phase I environmental study is required. Please note: Acceptable studies have been done within the year prior to the date of Application;
- Demonstration of meeting BOLI compliance, if applicable; and
- If other public capital or operating subsidies are used in financing the Project, relevant requirements of those subsidy sources will also apply.

4.3.11. Construction Cost Escalation

The current General Policy Guideline Manual (GPGM) maximum allowable rate for construction cost escalation should continue to be used in the proforma, but the Agency is expecting this to be a baseline assumption rather than a cap. Applicants can and should provide realistic projections of what their Project cost escalation will be from the time of application to Project close. Both the GPGM escalation factor or another proposed escalation factor need to be supported using the following criteria.

- **Proposed Escalation Factor Conditions & Justifications:** Development teams are responsible for independently evaluating their Project’s needed escalation factor and must justify their selected factor as indicated below.
 - a) The escalation should be shown as a percentage figure, and the rationale for how the escalation was determined should be described.
 - b) If a major construction cost index or multiple indices were used to determine the escalation factor, provide references to these documents.
 - c) The development team must confirm that the Project’s construction start date commitment is aligned with the proposed escalation factor, including confirming the number of months that have been factored into the escalation period (from application date to start of construction).

4.3.12. Developer Fees

Calculation of the developer fee is specified in the equation below and limits are shown in the

table below.

$$\text{Maximum Developer Fee} = \frac{\text{Developer Fee + Consultant Fee}}{\text{Total Project Cost - (Acquisition + Developer Fee + Consultant Fee + Capitalized Reserves)}}$$

Project Size	LIFT Only	LIFT with 4% LIHTC
<31 Units	16%	18%
31-75 Units	14%	16%
76-100 Units	12%	14%
100+ Units	10%	12%

4.3.13. Compliance Monitoring

Compliance monitoring will be sufficient to cover due diligence of OHCS. Payment of a compliance monitoring charge of \$25 per LIFT Rental unit will be required annually. This charge may be adjusted over time by OHCS. Additional monitoring charges may apply depending upon OHCS funding supplemental to LIFT Rental. Monitoring will address elements of Project operation including but not limited to:

1. Initial household income verification
2. Annual income verification, including through self-certification
3. Risk-based physical inspections every 1-3 years based on Project condition
4. If other public capital or operating subsidy will be used from any source, relevant compliance requirements of those sources will be assumed to apply. For example, if 4% LIHTCs are used, all 4% LIHTC compliance requirements will apply.

5. APPLICATION

5.1. Pre-Application and Application Access

The LIFT Rental NOFA application process is a two-step process that requires submission of a pre-application along with the site checklist to access the full application:

Process:

1. Download the pre-application and environmental site review checklist from the OHCS website, here: <https://www.oregon.gov/ohcs/development/Pages/notice-of-funds-availability.aspx>
2. Submit the completed pre-application and completed site checklist together, **without the site checklist exhibits or attachments**, to MFNOFA@hcs.oregon.gov. This action will alert OHCS staff to generate Procorem access credentials for your Project. This step must be completed no later than **11:59 PM PST on February 1, 2023**.
3. Procorem credentials will be emailed to the indicated individuals by end of business

on **February 10, 2023**. Once they are received, go to the Procorem login page: <https://app.procorem.com/login> to access the LIFT Rental application.

Please note: applications can only be submitted electronically, through Procorem. Hard copies, faxes, and electronic copies not submitted through Procorem will be automatically rejected and will not be reviewed or considered for funding.

5.2. Application Submission

**Applications must be uploaded to the applicable Project's Procorem Workcenter no later than:
March 30, 2023, at 4:00 PM PST**

5.2.1. Applications

Applications along with all required materials and documentation must be uploaded to the Procorem WorkCentre by the Application due date and time: **March 30, 2023, at 4:00 PM PST**.

- Applications in response to this NOFA can only be submitted through Procorem.
- Each development team can submit a maximum of **two (2) applications** for this NOFA offering.
- **Applicants may only apply for funding of one phase of a multi-phase Project under this NOFA.**
- Projects that have already been funded through a competitive OHCS NOFA are **not** eligible for additional capital funding through this NOFA.
- Applicants must be applying for LIFT funds. In addition to the primary LIFT funding request, only those sources of funding listed under section 2.1 of this NOFA may be requested in conjunction with this NOFA. If an application requests a source of funds not listed in section 2.1 of this NOFA, it will be considered nonresponsive and ineligible for funding.

5.2.2. Charges:

- All Applicants must submit application charges via mail. OHCS cannot accept any electronic payments for Application charges.
- All application charges are non-refundable.
- **Applicants must submit the Application charges to the address below along with the transmittal form provided as part of the application materials in Procorem.** All Application charges must be postmarked by **March 30, 2023**. If the Application charge has a postmark date **after March 30, 2023**, the Application is considered incomplete. It will be automatically rejected and is ineligible for funding.

Oregon Housing and Community Services
Attn: Accounting Re: NOFA 2023-2 Application Charge
725 Summer St. NE, Suite B
Salem, OR 97301

Applications determined by OHCS to be incomplete, to not meet all submission requirements of this NOFA, or otherwise fail to satisfy Preliminary Review or meet any of the Threshold Requirements

will be deemed "non-responsive" and rejected without further review. Applications that meet both the Preliminary Review and Threshold Requirements are considered responsive and qualify to be evaluated for ranking and award purposes by the Scoring Committee as described in this NOFA.

5.3. NOFA Questions

1. Inquiries relating to the NOFA process, its administration, or the substantive technical portions of the NOFA should be directed to: MFNOFA@hcs.oregon.gov
2. Please note **"LIFT Rental NOFA"** in the subject line. Frequently Asked Questions (FAQs) and answers will be posted on the OHCS website and NOFA WorkCentre's at regular intervals during the time that the NOFA response period is open. The FAQ period closes March 16, 2023, at 11:59 PM PST. When appropriate, revisions, substitutions, or clarifications shall be issued as a Technical Advisory and considered a revision to this NOFA.
3. Changes or modifications to the NOFA requirements will ONLY be recognized if in the form of a written Technical Advisory (TA), issued by OHCS. OHCS shall distribute NOFA modification TAs through its email list service and post the TAs on its website at: <https://www.oregon.gov/ohcs/development/Pages/technical-advisories.aspx> To sign up to receive OHCS Technical Advisories via email click here: <https://visitor.r20.constantcontact.com/manage/optin?v=001j9jAEm-uzFhdSiMgaotZfy3P8BURlrS7>

6. EVALUATION PROCESS

If Applications pass the Preliminary Review, which includes requirements for completeness, they will move to a Threshold Requirement review, which includes requirements for financial viability and timeliness. Review of the Threshold Requirements will be conducted to evaluate and determine whether Applications satisfy the Threshold Requirements. If, at any point, an Application fails to meet the threshold criteria listed in Section 6.2 below, the Application will be deemed nonresponsive and will not be reviewed further.

OHCS may employ, but is not limited to, the following selection criteria upon which to base its decisions:

6.1. Preliminary Review

Each Application will be reviewed for timeliness and completeness of the NOFA requirements. If one of these items is missing from the application, the sponsor will be notified and given 5 business days to provide it:

1. Complete NOFA Application and all required materials submitted through Procorem by Application due date and time, including:
 - ✓ Fully complete Site Review Checklist
 - ✓ Applicant's Owner/Board of Director's Authorization and Acceptance Form
 - ✓ Organizational Documents for Applicant/Co-Applicant
 - ✓ Site Review Checklist documentation (all required exhibits and maps), if not

submitted with pre-application

- ✓ Site Control documentation
- ✓ Service to Communities of Color materials (MOUs)
- ✓ Evidence of all funding, Letters of Interest, and supplemental documents
- ✓ Ownership Integrity Form fully executed
- ✓ Fully executed OHCS Zoning Form signed by the appropriate zoning jurisdiction
- ✓ Signed DEI form for Applicant/Co-Applicant
- ✓ NOFA Application Charge sheet and all applicable charges postmarked by Application due date and time.

6.2. Threshold Requirements Review

After passing Preliminary Review, all Threshold Requirements must be met. The following are Pass/Fail criteria:

6.2.1. Readiness to Proceed

6.2.1.1. *Timeliness Requirement*

The bond proceeds that are used to fund LIFT require that Projects are ready for initial lease up within 36 months of funding reservation. One of the ways that OHCS evaluates if a Project will meet this deadline is by looking at the projected dates for lease up in the Project development schedule, which is part of the application. If a Project does not commit to start leasing up within 36 months following the date of reservation, it will not meet the LIFT timeliness requirement.

6.2.1.2. *Zoning Requirement*

The Project must be properly zoned for the type of intended Project at application. Projects that must complete a zoning change to develop the Project will not be funded.

6.2.1.3. *Site Control and Site Feasibility*

Applicant must have control of the land necessary for the Project by the Application deadline. Options and sales agreements must be valid through the end of calendar year 2023. The Site Review Checklist is complete with information that shows the site is feasible for the use of the Project.

6.2.2. Financial Viability

6.2.2.1. *Development proforma review*

- ✓ Proforma includes realistic and available resources on the Sources of Funding.
- ✓ Sources and Uses balance, there are no gaps in funding and all other funding is committed.
- ✓ Sources listed as “Fundraising” and “Capital Campaigns” will result in automatic failure. Resources already obtained through these efforts are allowable and should

- ✓ be presented as “Cash”
- ✓ Maximum Construction Contingency is no higher than the 5% of total new construction costs, including site work costs and Contractor Profit & Overhead.
- ✓ Construction inflation factor/cost escalator is at least 3%.
- ✓ If Commercial Real Estate is included in the Project (i.e., a mixed-used Project), Sources and Uses are provided in the correct column in the proforma.

6.2.2.2. Operating pro forma review

- ✓ Primary debt coverage ratio (DCR) is within OHCS guidelines (1.15-1.30) unless permanent debt underwriting requires a variance. If a variance is needed, provide supporting evidence. If OAHTC's are included, minimum DCR of 1.20 is required after the OAHTC pass through is applied.
- ✓ The Project maintains a positive cash flow through the 30-year pro forma period, unless paired with 4% LIHTC. If paired with 4% LIHTC, positive cash flow through a minimum of 20 years is required.
- ✓ If there will be no permanent debt on the Project, a positive cash flow is required to be maintained through the 30-year pro forma period.
- ✓ In a mixed-use Project, no commercial income is used to support the low-income residential Project.

6.2.2.3. Supporting Financial Documents

- ✓ General Contractor estimate provided to back up proforma Schedule of Values.
- ✓ Letters of Interest for any loans or investors, commitment letters for any grants or additional funding provided.

6.3. Competitive Scoring

Applications that meet the Threshold Requirements will be scored competitively using the following criteria.

A maximum of one hundred (100) points is possible. Any Application that does not have the minimum overall score of sixty (60) points will be disqualified and will not be considered for funding.

Both quantitative and qualitative factors are considered in the scoring. The criteria to be used for each scored section is as follows:

6.3.1. LIFT subsidy per unit (up to 15 points):

As established below, there will be preference given to those Projects requesting funding amounts below the funding caps established in Section 2.3 in this NOFA.

Scoring based on subsidy request of the Project will be as follows:

Request	Points	
	Urban	Rural
85% of maximum subsidy	15	15

90% of maximum subsidy	10	10
95% of maximum subsidy	5	
More than 95% of maximum subsidy	0	5

6.3.2. Unit Size Incentive (up to 5 points)

1. Projects that have an average bedroom size of greater than 1.50 and up to and including 1.75 bedrooms will receive **1 point**
2. Projects that have an average bedroom size of greater than 1.76 and up and including to 2.00 bedrooms will receive **3 points**
3. Projects that have an average bedroom size greater than 2.01 bedrooms will receive **5 points**

6.3.3. Readiness to Proceed (up to 2 points)

Application must demonstrate the Project's readiness to proceed based on the following information:

- ✓ Project Development Schedule demonstrates that construction can begin within 12 months for LIFT Only Projects and before December 31, 2024 for LIFT with 4% LIHTC/PAB Projects.
- ✓ Permitting timeline form completed by the Project architect

6.3.4. Serving Communities of Color (up to 30 points)

Points will be awarded based on comprehensiveness, specificity, quality of engagement and quality of services, according to the following criteria. The intent of this scoring is to ensure that underserved Communities of Color are represented in Project design and eventual unit lease-up.

For rural communities, scores will be scaled to the populations within those specific rural areas, which are understood to be different than those in urban areas. Culturally responsive resources that foster connections with Communities of Color in rural areas are less likely to be stand-alone organizations. Instead, Culturally Responsive Services and resources may be part of the array of services offered through organizations that serve the broader community and have connections to provide support to Communities of Color.

Project applications must score a minimum of 10 points in this section to qualify for funding.

- a. Tell us about historically underserved Communities of Color in your region or metropolitan area, including demographics and other factual data in your response. **(5 points)**

- b. How have you connected to this community or communities in planning for this Project? ***Some examples include: outreach partnerships with community agencies, places of worship, community centers, stores that sell culturally specific products (5 points)***
- c. How do you plan to ensure that members of these communities are aware of the housing opportunity? Please describe planned outreach efforts and community resources that you will connect with/utilize. ***Some examples include: outreach partnerships with community, places of worship, community centers, stores that sell culturally specific products (5 points)***
- d. What barriers do you anticipate these communities encountering in accessing housing? What is your plan for mitigating identified barriers to access? ***Some examples include: making materials available in languages other than English, less restrictive qualifications for income and/or criminal background screening, an approach of screening tenants into units as opposed to screening tenants out (5 points)***
- e. How will you serve this community(ies) through building operations? Please attach signed Memoranda of Understandings (MOUs) with service organizations. ***Please note: Signed MOUs with service providers are required to score points for this criterion. (5 points)***
- f. How were unit size/building configuration influenced and informed by what you have learned about the community/communities you are serving? **(5 points)**

6.3.5. Rents affordable at lower AMI (up to 5 points)

- 1. 50% of units affordable at or below 30% AMI, 5 points
- 2. 40% of units affordable at or below 30% AMI, 4 points
- 3. 30% of units affordable at or below 30% AMI, 3 points
- 4. 20% of units affordable at or below 30% AMI, 2 points
- 5. 10% of units affordable at or below 30% AMI, 1 point

6.3.6. Demonstration of Construction Costs that are lower than comparable industry norms (up to 6 points)

- 1. Costs (including construction costs and architectural fees) are greater than or equal to 15% less than comparable RS Means data published by OHCS based on general Project type, **6 points**
- 2. Costs (including construction costs and architectural fees) are 10-14% less than comparable RS Means data published by OHCS based on general Project type, **5 points**
- 3. Costs (including construction costs and architectural fees) are 0-9% less than comparable RS Means data published by OHCS based on general Project type, **4 points**
- 4. Costs (including construction costs and architectural fees) are within 1-10% of comparable RS Means data published by OHCS based on general Project type, **3 points**
- 5. Costs (including construction costs and architectural fees) are within 11-15% of comparable RS Means data published by OHCS based on general Project type, **2 points**
- 6. Costs (including construction costs and architectural fees) are within 16-20% of

- comparable RS Means data published by OHCS based on general Project type, **1 point**
7. Costs (including construction costs and architectural fees) are above 21% of comparable RS Means data published by OHCS based on general Project type, **0 points**

6.3.7. Demonstration of innovation of building development or finance strategy (up to 2 points)

Application includes a narrative for the Scoring Committee that demonstrates innovative aspects of the Project. *Innovation* means that a proposal is using a technique(s) as part of financing or building development that is new or original

6.3.8. Demonstration of efficiency of building development or finance strategy (up to 2 points)

Application includes a narrative for the Scoring Committee that demonstrates efficient aspects of the Project. *Efficiency* means that a proposal employs techniques that are aimed at reducing waste and increasing efficiency

6.3.9. Demonstration of replicability of building development or finance strategy (up to 2 points)

Application includes a narrative for the Scoring Committee that demonstrates replicable aspects of the Project. *Replicability* means that there are unique attributes of the proposal that can be used in other developments in other locations around the state

6.3.10. Minority, Women, and/or Emerging Small Businesses (M/W/ESB) Engagement (up to 5 points)

OHCS requires sponsors and developers of affordable housing to seek COBID and non-COBID MWESB and Service-Disabled Veteran's Business Enterprise (SDVBE) professional firms to increase the participation level of minority-owned businesses in its construction Projects to meet OHCS' MWESB goals as determined by region. OHCS encourages the utilization of local labor and partnering with the community to help build healthy, affordable homes, which addresses OHCS' goal of increasing apprenticeship programs in Oregon and improving economic and social vitality while increasing pathways out of poverty. Applicants will be scored on future NOFA's based on how successful they were in meeting OHCS MWESB/SDVBE in previous NOFA's showing approach and strategy towards MWESB/SDVBE engagement, contracting, to successfully meet the requirements of OHCS's MWESB Compliance Policy.

Applicants will be required to identify their approach and proposed MWESB percentage goals they will use to contract with MWESB/SDVBE COBID contractors/subcontractors and to report their MWESB/SDVBE progress at the end of each calendar quarter (March, June, September, December). This reporting will include a list of each contractor or subcontractor hired, the contract amount for each of those firms, their COBID certification status, and specifics around what their self-identified MWESB/SDVBE category is, if applicable. This list should include all businesses contracted with, including but not limited to consultants, architects, legal representation, relocation services, environmental services, all construction, and contracting trades involved in planning, construction, and operation of the proposed Project.

The general contractor and the developer may utilize and include non-COBID certified firms

owned by a person identifying as a member of a Black, Indigenous, and People of Color community, and other qualifying firms as stated above in their MWESB/SDVBE reporting, provided that the non-COBID certified MWESB/SDVBE firms listed, will be encouraged, and assisted with becoming a COBID certified firm before Project construction completion. Projects that have received a conditional award from the Department can find the MWESB/SDVBE requirements in their Reservation & Conditions Letter or at the following web link: <https://www.oregon.gov/ohcs/development/Pages/mwesb-sdvbe-rental-housing.aspx>

Applications will be scored on their approach to:

1. **Identify owners' MWESB/SDVBE COBID certified and non-certified firm participation goal according to the Project's region and how the goal was determined.**
 - a. Include what percentage of the construction costs and professional services (Architect, Engineering, Attorney, Environmental, etc.) participation goal the developer has committed towards MWESB/SDVBE.
 - b. Provide description of how percentages were determined.
2. **Outline the steps the owner and construction team will take to achieve the owner's MWESB participation goals for subcontractors and suppliers.**
 - a. Include what steps owner will take to ensure the general contractor meets owners' commitment to its participation goals i.e., how will the Project be marketed to those least likely to apply, will marketing materials be culturally specific, will there be a multilingual staff member during the bid process?
 - b. Explain how both the general contractor and the owner will ensure solicitation to the COBID and non-COBID construction community. For example, where will bid opportunities be publicized, or what relationships already exist that can be leveraged i.e., through culturally specific areas partnerships with culturally specific or responsive organizations? Provide marketing materials it plans to use.
3. **Provide a summary of the general contractor's profile and team member demographics.**
 - a. Include if the general contractor is a MWESB/SDVBE contractor or COBID member.
 - b. Provide demographics of the general contractor's staff and team members.
 - c. Provide list of OHCS funded Projects over the last five years in which the general contractor was the selected contractor. Specify the region where Projects were located and include the MWESB goals achieved. If, OHCS's MWESB goals were not achieved, explain why the general contractor was unable to achieve the goal.
4. **Provide details for the general contractor's history of addressing MWESB/SDVBE subcontractor diversity, equity, and inclusion (DEI) in affordable rental housing Projects.** List classes, seminars, or programs the general contractors have received or attended. Explain how the general contractor plans to utilize local labor, community groups and apprenticeships programs to engage MWESB/SDVBE subcontractors to the Project.

6.3.11. Demonstration of Financial Viability (up to 11 points)

Well documented and explained construction costs in the Development Proforma (up to 6 points)

- i. Development budget is adequately explained, with construction documents & estimates substantially agree with the pro forma. Construction & Development contingencies are within OHCS guidelines. **(2 points)**
- ii. Contractor overhead, profit and general conditions are within the required range, as identified in the OHCS General Program and Guidelines Manual (GPGM). **(2 points)**
- iii. Developer Fee is within OHCS allowances for Project type and size. **(1 point)**
- iv. Deferred Developer Fee pays out by year 15. **(1 point)**

Reasonable request and demonstrated need for resources (up to 5 points)

- i. Rents are affordable to target population and any Project based rental subsidy is documented. **(2 points)**
- ii. Operating expenses are within OHCS guidelines or adequately explained if underwritten to other funding program criteria (FHA, FHLMC, FNMA, USDA). **(2 points)**
- iii. Vacancy rate at 7% or adequately explained. **(1 point)**

6.3.12. Development Team Capacity (up to 5 points)

- i. *Construction Experience*: Describe staff experience leading construction development of Projects of similar (or larger) size and scope such as mid-rise versus high-rise, wood frame versus steel, and new construction versus rehabilitative construction. If staff experience is limited, discuss whether you will partner with an appropriate party to mitigate this concern. **(1 point)**
- ii. *Financing Experience*: Describe staff experience closing the requested combination of funding, such as tax credit, mortgage financing, Gap funds, and other grant or government grant or loan programs. If staff experience is limited, discuss whether you will partner with an appropriate party to mitigate this concern. **(1 point)**
- iii. *Development and/or Project Team Experience*: Describe experience with management of similarly comprised development or Project teams. Describe the development team's experience with Projects of this type, size, and scope. **(2 point)**
- iv. *Multiple Project Reservations*: If applicant has multiple Project reservations with OHCS, explain how the development team has the capacity to support all Projects simultaneously administratively and financially. **(1 point)**

6.3.13. Owner, Sponsor, Management Portfolio Performance (up to 5 points)

Applicants with Projects in the OHCS portfolio will be reviewed on the performance of all Projects in the portfolio, the average score of all Projects will be used; Applicants without Projects in the OHCS portfolio will be asked to submit a letter indicating their compliance status with any existing Projects.

Portfolio Project criteria will be calculated for each relevant Project and summed and apportioned based on portfolio size.

6.3.13.1. OHCS Portfolio Compliance Criteria (up to 2 points)

- Certification of Continuing Program Compliance (CCPC) submission received for current year shows compliance.

6.3.13.2. OHCS Portfolio Viability Criteria (up to 3 points)

- Financial submission as requested;
- Most recent financial audit is closed;
- Most recent audited financials Debt Coverage Ratio; and
- Asset management community evaluation completed satisfactorily.

If sponsor has Projects in OHCS portfolio, no submission is necessary. If sponsor does not have a Project in the OHCS portfolio, must include an “Owner Performance” letter indicating their compliance status with any existing Projects (if unreported noncompliance is discovered later, it may be grounds for rescinding awarded funds or negatively impact future applications for funding).

6.3.14. Qualified Culturally Specific Organization (up to 5 points)

Projects in which the sole or lead developer, co-developer, or owner-manager of the single asset entity that will own the property is a Qualified Culturally Specific Organization or Tribal-led organization will be eligible for up to 5 points depending on their role in the development team structure.

Development Team Role	Points
Sole or Lead Developer	4
Co-Developer	2
Owner-Manager	1

6.3.15. Federally Declared Wildfire Disaster Area (Up to 5 bonus points)

Up to five points will be attributed based on adopted scoring for areas impacted by the 2020 Wildfires. These points are scaled in relationship to the overall housing impact within the 8 federally declared disaster area counties, focusing on cities and Census Tracts as appropriate. Additional detail on these points can be found in the established methodology document at

<https://www.oregon.gov/ohcs/development/Documents/nofa/2021/FederallyDeclaredDisasterArea-PreferenceforNOFA.pdf> as well as established within the NOFA score sheet.

6.4. Scoring Criteria Detail for Narrative Responses

Below are the scoring criteria with detail on what scorers are asked to look for and evaluate for each section.

LIFT Narrative Criteria for LIFT NOFA Scoring Committee	Max Points
1. Service to Communities of Color – Historically underserved communities in region: (Up to 5 points) <ul style="list-style-type: none"> • Does the narrative describe a focus on a specific community/Communities of Color? • Does it provide current demographic information on what the community is currently experiencing in the neighborhood or region? • Does the narrative tie into the data provided? • If a Culturally Specific Organization or Culturally Responsive Organization, how long have they been serving this community? 	30
2. Service to Communities of Color – Connection to the focus community or communities during planning: (Up to 5 points) <ul style="list-style-type: none"> • Does the narrative describe engagement between developer and 	

<ul style="list-style-type: none"> Community of Color? Did the developer reach out to any Culturally Specific Organization or Culturally Responsive Organizations to assist with establishing this connection? Were any community members compensated for their time during these engagement opportunities? This is highly encouraged, but not a requirement. 	
3. Service to Communities of Color – Ensuring members of the focus community are aware of the housing opportunity: (Up to 5 points) <ul style="list-style-type: none"> Does the narrative rely mainly on the Affirmative Fair Housing Marketing (AFHM) Plan or are there other actions being taken to inform the community? If a partnership with a Culturally Specific Organization or Culturally Responsive Organization or Tribe is part of the plan, are they being compensated? If narrative indicates that Project will be using a jurisdiction's marketing platform or waiting list, was there supporting documentation provided by the jurisdiction? 	
4. Service to Communities of Color – Anticipation and mitigation of barriers: (Up to 5 points) <ul style="list-style-type: none"> Does the narrative describe barriers to accessing housing for the focus Community of Color and what has historically caused this? Does the narrative adequately explain how the identified barriers will be mitigated by the housing that will be developed and operated? 	
5. Service to Communities of Color – Serving communities through building operations: (Up to 5 points) <ul style="list-style-type: none"> Does the narrative describe partnerships with either culturally specific, or culturally responsive organizations? Were MOUs provided for all partnerships listed? Do the MOUs and the narrative explain specifically how the communities will be served by these partnerships? 	
6. Service to Communities of Color – Influences on the Design of Project by community served: (Up to 5 points) <ul style="list-style-type: none"> Does the narrative describe how information from community input and feedback influenced the unit size or layout of the building? Does the narrative indicate that outreach for the Project to the community it is expecting to serve has occurred prior to application? 	
7. Innovation of Building Development or Finance Strategy <ul style="list-style-type: none"> Does the narrative demonstrate a new or original way to develop affordable units using new building techniques or partnerships? Does the narrative show a new or original technique for financing? Note: Scattered site applications and 4% LIHTC and 9% LIHTC hybrid applications are not considered innovative for this NOFA. 	2
8. Efficiency of Building Development or Finance Strategy <ul style="list-style-type: none"> Does the narrative demonstrate techniques that are aimed at reducing costs in either the Project's operations budget or financing structure? Does the narrative demonstrate any techniques aimed at reducing the amount of time it takes to develop affordable housing opportunities? 	2
9. Replicability of Building Development or Finance Strategy <ul style="list-style-type: none"> Does the Project include a unique attribute(s) that can be replicated in other developments around the state? Does the narrative demonstrate a financial structure or partnership that could be replicated in other regions in the state? 	2
10. Development Team Capacity	5

<ul style="list-style-type: none"> • Construction Experience: Does the narrative demonstrate that staff has experience leading construction development for a Project of the proposed size and scope? Is this supported by the Schedule of Real Estate Holdings? If staff does not have the experience and/or the Schedule of Real Estate Holdings does not, was an explanation provided for how this will be mitigated? • Financing Experience: Did the narrative demonstrate experience closing the requested combination of funding? If not, was an explanation provided for how this will be mitigated? • Development and/or Project Team Experience: Did the narrative adequately explain developer experience with managing Project teams of this size, and the overall development team's experience with Projects of this size? • Multiple Project Reservations: Does the narrative explain how the development team will prioritize the different Projects? 	
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7. PROCESS, AWARDS, AND RESERVATION LETTERS

7.1. Evaluation Process

After Preliminary Review (see Section 6.1), eligible Applications will be reviewed for Threshold Requirements (see Section 6.2). After the review of Threshold Requirements, eligible Applications will be competitively scored by the Scoring Committee (see Section 6.3).

The final selection of Applications for Award, if any, will be from those Applications that best meet the competitive scoring requirements based on the recommendation from the Scoring Committee, as further recommended by the Director and approved by the Housing Stability Council (Council), in accordance with available Funding Sources.

7.2. Awards

Applicants, if any, that OHCS determines to provide a reservation of funding ("Reservation") pursuant to this NOFA will be designated as Awardees in the conditional commitments issued to them ("Reservation Letter") by OHCS. All Reservations are conditional in nature, contingent upon the terms upon which they are made, approval by the Council, the continuing availability to OHCS of the described funds or tax credits (collectively or individually without distinction, Funds), the continuing authority of OHCS to disburse or allocate such funds, and the successful negotiation, execution, and recording (if required) of the Agreement Documents.

7.3. Notice of Intent to Issue Reservation Letter

Applicants will be notified in writing of OHCS's Notice of Intent to Issue a Reservation Letter, this information will also be posted on OHCS's website.

7.3.1. Applicable Reservation and Recipient charges:

OHCS has adopted a 1.5% reservation charge for all NOFA Loan Reservations and there is a Recipient Charge of \$2,000 for LIFT Only Projects and \$2,500 for LIHTC Projects listed in the

GPGM⁴ which will also be charged. The Recipient Charge is due at issuance of a Reservation Letter and the Reservation Charge is due at finance close.

8. GENERAL TERMS AND CONDITIONS

- A. Any LIFT funding allocation under this NOFA is subject to receipt by OHCS of the proceeds of the anticipated Article XI-Q Bonds issuance and approval by bond counsel, the Oregon Department of Justice, and the Issuer (State Treasurer collectively with the Department of Administrative Services (DAS) and OHCS or OHCS only) to use the proceeds for LIFT Rental purposes as contemplated under the NOFA.
- B. OHCS may require additional information to determine whether or not an Application satisfies relevant criteria. Any necessary clarifications or modifications normally will be made before OHCS makes any Reservation and may become part of the Agreement Documents.
- C. Submission of an Application by Applicant or acceptance by OHCS of a submitted Application neither constitutes an agreement of any kind between OHCS and Applicant nor does it secure or imply that Applicant will be selected for receipt of a Reservation of funds.
- D. In the extent that other funding sources have additional or other requirements, the most restrictive requirements will apply to the Project.
- E. All costs associated with Applicant's submission of an Application are the sole responsibility of the Applicant and shall not be borne to any degree by the State of Oregon.
- F. Successful Applicants will be required to maintain appropriate levels of insurance and to comply with the Project Requirements and other OHCS policies, including execution of the Agreement Documents.
- G. OHCS may amend any Reservation Letter and other related documents that result from a Reservation made pursuant to this NOFA. All such amendments will be in writing and must be signed by relevant authorized parties.
- H. OHCS assesses an Application charge. A check for the Application charge is required at application submission and must be received by the application due date.
- I. ORS 60.701 requires foreign corporations be registered by the State of Oregon, Office of the Secretary of State, before conducting business in the state. A foreign corporation (ORS 60.001) means a for-profit corporation incorporated under a law other than the law of the State of Oregon. If a foreign corporation is selected for the Agreement because of this NOFA, it must register to do business in Oregon.
- J. OHCS reserves the right:
 - (a) to amend this NOFA prior to the closing date;
 - (b) to amend the deadline for submitting Applications;
 - (c) to determine whether an Application does or does not substantially comply with the requirements of this NOFA;
 - (d) to waive any minor irregularity, informality, or nonconformance with the requirements of this NOFA;

⁴ GPGM: <https://www.oregon.gov/ohcs/development/Documents/admin/manual-general-policy-guidelines.pdf>

- (e) to obtain from and provide to other public agencies, upon request, references, regarding the Applicant's performance;
 - (f) at any time prior to execution of Agreement Documents (including after announcement of the apparent Reservation) to reject any Application that fails to comply with the requirements of this NOFA;
 - (g) to reject all Applications received and cancel this NOFA upon a finding by OHCS that such cancellation would be in the best interest of the State;
 - (h) to use adherence with components of the Applicant's Application and this NOFA as scoring criteria in future multifamily funding solicitations;
 - (i) to withdraw any funding source from this NOFA; and
 - (j) to waive any term or condition of this NOFA for good cause as determined by OHCS.
- K. This NOFA and one (1) copy of each original Application received, together with copies of all documents pertaining to a Reservation, will be kept by OHCS and made a part of a file or record, and be available for disclosure pursuant to the Oregon Public Records Law.
 - L. The Applicant will be required to assume responsibility for performance required by the Agreement Documents, whether performed by the Applicant, a representative, assignee, or subcontractor.
 - M. An Applicant or potential Applicant seeking to challenge any aspect of this NOFA is subject to and must comply with the provisions of OAR 813-005-0025 (see Exhibit A).
 - N. OHCS' contact person for this NOFA is Becky Isom. Her contact information is as follows:
 Oregon Housing and Community Services
 Attn: Becky Isom
 725 Summer Street NE, Suite B
 Salem, OR 97301
 Email: MFNOFA@hcs.oregon.gov
 - O. Reservations, Allocations or Awards by OHCS (collectively, "Determinations") may be subject to Council review under ORS 456.561, and Determinations where additional OHCS funding supporting such Determinations are subject to Council review, are contingent upon Council approval of those Determinations or supporting funding. The Council may approve, reject, modify, or further condition funding awards submitted for its review, thereby directly or indirectly impacting OHCS' Determinations.
 - P. All Reservations made pursuant to this NOFA are subject to the successful negotiation, execution, and recording (if required) of any and all Agreement Documents. Projects that have only a leasehold interest in relevant real property must include, among relevant Agreement Documents, binding commitments executed and recorded by the landlord satisfactory to OHCS including, but not limited to, restrictive covenants with respect to the ongoing use and operation of the real property and leasehold interest for affordable housing acceptable to OHCS.
 - Q. OHCS may charge, and the Applicant shall pay, legal and administrative costs reasonably anticipated or incurred by OHCS in negotiating and preparing Agreement Documents and other related documents. OHCS also may charge, and Applicant shall pay any other fees allowed by OHCS administrative rules with respect to the Application, ensuing Reservation, Award or Allocation, and Project operation.
 - R. Provisions stated in the form of a question in this NOFA shall be construed as required action by Applicants.

- S. OHCS reserves all other rights not specifically identified herein, including but not limited to rights, remedies, and requirements established in OHCS administrative rules or other law.